

Vol. III, No. 5
November 30, 1973

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Published by the American Political Research Corporation
4720 Montgomery Avenue
Bethesda, Maryland 20014
Telephone (301) 654-4990

The American Political Report

THE NIXON ADMINISTRATION

Converging multiple crises are once again dropping the odds on the survival of Richard Nixon and his hard-pressed Administration. White House credibility among politicians and legislators is crumbling with every new tapes absurdity, and hitherto pro-Nixon businessmen are panicking in the face of the energy crisis and the rising threat of a severe recession and increasing unemployment. Political, economic and legal timetables appear to be moving towards a February or March crunch if RMN can't turn things around in the meantime (see p. 2 for an analysis of possible resignation triggers).

Confidence is weakening on all fronts: Sindlinger & Co. consumer data shows a massive late November slide in U.S. economic confidence. It's mostly the energy crisis finally hitting home....energy is now fast becoming the nation's top issue (with all that implies for economic and foreign policy decisionmaking), but as late as Nov. 16-22, public opinion did not take the energy crisis seriously (see polls, p. 4). Because of the Watergate Syndrome, many people -- especially Democrats -- initially suspected RMN of trickery. Under other circumstances, the energy crisis could have been a great political opportunity. But not with a Watergate-staggered President afraid to get far ahead of a disbelieving public. So far, sluggish measures have aggravated the crisis with no compensatory political benefit. Look for more movement towards rationing as polls (see p. 4) begin to convince the Administration of strong bipartisan public sentiment in this direction.

Watergate remains the all-permeating issue. Speculation on who's who in the White House or who's leaving the Cabinet is becoming steadily less meaningful as the President relies more on the politically inept but personally loyal Alexander Haig and Ron Ziegler. In the past, this narrowing circle (or "circle the wagons") pattern has always led to a bust of some degree. And as RMN falls back into the Haig-Ziegler orbit, we see other GOP politicians becoming less and less concerned with keeping the President in office. It's a very inauspicious pattern....

As of this moment, Republican prospects are dimming up and down the political line: In 1974 gubernatorial races, in Senate contests (see Special Survey) and in Congressional races, where serious speculation about possible GOP House losses is now reaching into the 30-40 seat range. After Gerald Ford's expected Dec. 6 vice-presidential confirmation, party officials and GOP leaders in Congress will begin to come to real grips with the ultimate question: How much of the U.S. economic and political crisis can be solved simply by RMN's resignation? So far, there is a lot of private talk -- and very little public speculation by top Republicans. But in APR's opinion, RMN's credibility campaign is now running against a steadily ticking political and economic clock.... Too many vital political and economic establishment interests are being eroded for much more indulgence.

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THE NIXON RESIGNATION CRUNCH: WILL IT COME AND WHEN?

With the abortion of the White House's "Operation Candor," and the imminent confirmation of Gerald Ford, we see RMN faced with this crucial need: re-establish credibility during December and the holidays or face a possibly fatal crunch within a few weeks after Congress reconvenes in January. Here are the factors, chronological and otherwise:

1) Health: For years, RMN has prided himself on his perfect (never even a headache) health. Then recently he referred to staying in office as long as he is physically able. It's a big shift -- and maybe a critical shift in RMN's own psychology. Talk is growing that his summer pneumonia bout was worse than publicized. It could be a way out....

2) Resignation: References to RMN never quitting may miss the mark. In his 1952 fund crisis, he was set to resign from the ticket, but Murray Chotiner ripped up his resignation letter. Several psychologists have examined the record: the President does have down periods when he sees quitting as the easiest way out...whether it fits the legal/political circumstances involved here is something else again.

3) Criminal Indictments and Trials: Bound to pick up steam after the holidays.

4) Economics and Energy: If RMN's inability to rally a tailspinning economic and energy crisis becomes an obvious factor aggravating the prospect of a severe slump, big business and corporate pressure (also reflected in more GOP demands for resignation) should increase in January and February. Heating oil shortage discomfort should also be most severe in late January and February.

5) Impeachment: We have a lot of trouble seeing any real prospect of impeachment. Senior Democrats, especially Southerners, don't want it, and the early maneuvers of the House Judiciary Committee have been so clumsily partisan that even the liberal New Republic magazine has described them as undercutting Congressional ability to successfully impeach RMN. If big business and top Republican Party leaders turn against the President, then resignation, not impeachment, would be the probable way out.

6) Republican Party Fears: Watergate and White House behavior are on the verge of (at least temporarily) ruining the GOP. If the Watergate hemorrhage continues into January and February, augmented by rising unemployment and painful energy shortages, then a) Republican 1974 election prospects and b) GOP party identification will dip even below their present low, low levels. Watergate is already influencing GOP incumbents to retire and possible candidates to abandon 1974 plans. Every additional month that goes by in 1974 without a definite turnabout makes GOP political disaster all the more likely. Our analysis: February or March is the point past which the Republican and big business establishments cannot allow the hemorrhage to continue without running the risk of a major collapse. Deterioration beyond this time would confront party and business leaders with the specter of a 1974 political debacle possibly leading to massive 1975-76 anti-business legislation.

7) Congress: RMN will get a breather when Congress goes home in mid-December, and he must have the political/economic hemorrhage under control by the time Congress convenes in January. If he does get back on top of things, then it could be a whole new ball game...but if he doesn't, then pressures to force him out would soon mushroom.

THE NEW ROCKEFELLER-FOR-PRESIDENT COMMITTEE?

Don't underestimate Nelson Rockefeller...or his latest (and fourth) presidential bid now about to escalate with the Dec. 4 kick-off meeting of his new National Commission on Critical Choices for America and Rocky's scheduled appearance at the Dec. 7-8 biennial Southern Republican Conference in Atlanta.

This time, instead of launching his bid under the banner of the GOP's Northeastern liberal fringe, Rocky is laying a strong foundation as the candidate of the GOP Center. Here's the early-book spectrum: Frontrunner Ronald Reagan has much of the GOP Right; John Connally has a smaller slice of Right-Center (and the handicap of a Texas 1974 party problem and Nixon-Milk Fund imagery); and Chuck Percy -- as APR sees it -- is actually strengthening Rocky by drawing off the liberal fringe so anathema to party regulars (Percy is also seizing the black/youth/liberal strategy that used to doom Rocky). One measure of Rockefeller's successful rightward shift: He is now one of three 1976 candidates acceptable to Barry Goldwater.

Rocky's Critical Choice Commission -- politically loaded beneath its nonpartisan surface -- seems to be shaping up as his chosen high profile-platform alternative to seeking (and maybe being defeated for) a fifth term as governor. It also has embryonic elements of a Rockefeller-for-President Committee. First, the Commission membership ought to be highly responsive to Rocky's basic 1974-75 directions and political needs. Among the members: former Rockefeller chief Secretary and political strategist William Ronan...brother Laurence Rockefeller (a 1968 Rock. Finance Committee member)...John Knowles, President of the Rockefeller Foundation...Oscar Ruebhausen, a New York lawyer (Debevoise, Plimpton) who has handled a lot of Rockefeller business and strategy. Several other New York State officials are on the Commission or on the senior staff. Other GOP officeholders or politicians on the panel -- National Endowment for the Arts Chairman Nancy Hanks, former Gov. Russell Peterson of Delaware, former New Mexico GOP National Committeeman Robert O. Anderson -- came out of the Rockefeller wing of the party.

Another key man on the Commission: AFL-CIO Treasurer Lane Kirkland, Rocky's man in the top ranks of organized labor (Kirkland is also on the board of the Rockefeller Foundation).

Still another: Hoover Institute Fellow Martin Anderson, an ex-White House aide who played a quiet but central role (with White House Counselor Bryce Harlow) in blueprinting the 1972 GOP National Platform. Anderson, like Presidential Counselor Mel Laird (who is making a lot of pro-Rockefeller noises), has close ties to Washington's conservative American Enterprise Institute, which played an intellectual backstop role in the 1964 Goldwater campaign. Rocky appears to be getting lines into the conservative think tanks. If so, it's significant.

As liaison between the Commission and the White House, RMN has named Counselor (and former GOP National Vice Chairman) Anne Armstrong, herself politically ambitious. And besides Laird, who has been keeping in touch with Rockefeller on AFL-CIO strategy, the N.Y. Governor also met recently with ex-Nixon Counselor Robert Finch. Rocky's deafening silence on Watergate (criticized by N.Y. Democrats) is another measure of his good White House ties.

APR sees this smack-in-the-middle of the GOP position as a good one for Rocky...for the first time, he could be a unity rather than disunity candidate. He won't be coming out of left field in 1976. More to the point, he has some big "New Majority" talking points: a) organized labor -- Rocky, like

no other national Republican, can score big here; b) Catholics -- good church relations, parochial record and proven 1970 election drawing power; c) Dixie -- so far, Reagan's strength is Rocky's weakness, but Southerners have been pleased by the scheduled Atlanta Conference appearance, and by the way Rocky's New York conservatives openly sought Dixie GOP support to have Rocky named Vice President in October.

But watch for signs of Rocky's old (and hitherto fatal) weakness: too much routine grey flannel progressivism and too many Manhattan politicians who see grassroots work as a trip to the Harvard Club of Chicago. Many conservatives still have a lot of trouble cottoning to their old nemesis, and Rockefeller will have his work cut out.

ENERGY POLITICS AND PUBLIC OPINION

Blame lagging public appreciation of the energy crisis for part of the Nixon Administration's reluctance to take strong measures at an early date. Sindlinger & Co. poll data (from a 2200-interview sample between Nov. 16 and Nov. 22) paints the portrait of a country slow to come to grips with the danger of dwindling resources.

First, note the reluctance of Americans -- especially Democrats -- to see the seriousness of the fuel problem.

Public's Characterization of Energy Crisis Severity

	Republicans	Independents	Democrats	No Interest	All
Very Serious	30%	24%	16%	11%	21%
Somewhat Serious	51	51	23	30	39
Not Serious	18	22	58	42	36
Don't Know	1	4	3	17	4

Republicans and Independents include more high-income, high-education persons aware of the gravity of the situation. In contrast, many Democrats dismiss the crisis -- or did in mid-November -- as a Nixon trick. Good October and November weather also kept crisis psychology from developing. Here is the irony: genuine crisis psychology plainly helps RMN, but at the same time, RMN's lack of public credibility -- especially among Democrats and politically-disinterested persons -- makes it difficult for him to mobilize a trick-suspecting public. Our analysis: that this public doubt has been a major political factor scaring RMN away from decisive action, and that such lack of decisive action at this stage has insured bigger problems later. Like everything else at 1600 Pennsylvania Ave., the energy crisis is being handled as a political/p.r. problem, and thus (given RMN's grave weakness) handled very poorly.

Another example of White House miscalculation came on rationing, which is now being officially accepted -- belatedly. The public (and even rank-and-file Republicans) do not share Administration ideological reluctance, and poll results have helped shift Administration thinking.

Public's Preference for Handling Gasoline Shortage

	Republicans	Independents	Democrats	No Interest	All
Rationing	67%	62%	67%	51%	63%
Added Tax	24	24	13	15	17
Other*	8	14	19	24	18
No Opinion	1	1	1	10	2

* Typically -- No real shortage, don't need any new gimmicks.

(11/30/73) SPECIAL SURVEY: 1974 SENATE RACES (PT. 4)

Parts 1 and 2 of this four-part survey discussed Republican-held Senate seats to be filled next year; part 3 dealt with some of the Democratic-held seats, and part 4 completes that analysis.

Throughout late 1973, GOP prospects have generally been slipping. Few Democratic seats are likely to change hands, and a net GOP loss of 3-5 seems probable. Here are the ratings of Democratic vulnerability, with categories 2 and 3 tending to blur.

1. Probable Democratic Losses: Alaska (Gravel).

2. Possible Democratic Losses: Iowa (Hughes - retiring), Nevada (Bible - retiring), Indiana (Bayh).

3. Probable Democratic Retentions: Connecticut (Ribicoff), North Carolina (Ervin), South Dakota (McGovern), Missouri (Eagleton), Washington (Magnuson).

4. Assured Democratic Retentions: South Carolina (Hollings), Georgia (Talmadge), Alabama (Allen), Louisiana (Long), Arkansas (Fulbright), Illinois (Stevenson), Wisconsin (Nelson), Idaho (Church), Hawaii (Inouye), California (Cranston).

Iowa: With Senator Harold Hughes retiring, the most likely Democratic candidate is U.S. Rep. John Culver (who had planned to run in 1972 -- but didn't -- and saw his former Administrative Assistant, Dick Clark, win an upset victory). Since GOP Gov. Robert Ray has decided to run, mark Culver the favorite against the current GOP hopefuls: state legislators George Milligan and David Stanley. Stanley barely lost to Hughes in 1968, but has since gone downhill politically. Neither Stanley nor Milligan showed up well in a September recognition poll run by the Des Moines Register. Besides Ray, the bestknown Republican in the poll is U.S. Rep. Bill Scherle, who isn't ruling out a statewide race. Meanwhile, GOP strategists in Iowa and Washington are showing interest in enlisting State Treasurer Maurice Baringer. It's a "Possible Democratic Loss," but not a probable one.

South Dakota: Ever since he lost South Dakota in 1972, George McGovern has been running scared -- raising lots of cash and beefing up his force of fieldmen. In April, one GOP Senate hopeful -- dairyman Al Schock -- took a poll that showed him ahead of McGovern by 53-34%. Since then, McGovern has recovered a lot of ground. Would-be 1974 GOP officeseekers reportedly have agreed to go together on a poll to measure current sentiment. Besides Schock, unofficial candidates for the GOP nomination include Barbara Gunderson of Rapid City and former Lt. Col. (and ex-Vietnam POW) Leo Thorsness. Part of the impetus for Thorsness seems to be coming out of the White House and the Republican National Committee: RMN likes the idea of siccing a POW on McGovern (although GOP strategists rate Thorsness smart enough not to be a one-issue candidate). Before the June primary, though, either Thorsness or Schock could decide to seek the 1st District House seat (Sioux Falls) held by Democratic Rep. Frank Denholm. Thorsness is openly weighing this alternative. McGovern should avoid a serious primary challenge. Although Democratic Gov. Richard Kneip may be legally barred from seeking another term (the issue is now in the courts), he is unlikely to run against McGovern. Call it a "Probable Democratic Retention" at least until the GOP nominee is picked.

Wisconsin: \$500,000 in debt, the state GOP has pretty well written off the race against Gaylord Nelson. Possible candidates interested so far: State Senators Milo Knutson, Jerry Lorge and John Steinhilber, all near-certain losers.

Idaho: Senator Frank Church, looking for a 4th term, seems almost

sure to get it. No big-name Republicans are interested. The only candidate intriguing GOP strategists is Bob Smith, until recently Administrative Assistant (and 1972 campaign manager) for freshman U.S. Rep. Steve Symms, the apple-grower who tapped local anti-government sentiment with his slogan "Take a Bite Out of Big Government." Next year could be a good one for that pitch, but it's a long longshot. For the moment, a "Sure Democratic Retention."

Nevada: Senator Alan Bible's retirement opens up a chance for the GOP. Popular former Republican Gov. Paul Laxalt, who passed up a Senate bid in 1970, looks ready to run this time. On the Democratic side, Gov. Mike O'Callaghan is anxious to run for the Senate, too. His options: a) run for Governor again in 1974 and go for the Senate seat up in 1976 or b) run for the Senate next year. Former Democratic Gov. Grant Sawyer is also interested in replacing Bible. While O'Callaghan ought to be able to beat Sawyer, the scars of any (September) primary might not be fully healed by November. If it's Laxalt vs. O'Callaghan, mark it close...if it's Laxalt vs. Sawyer, our bet is Laxalt.

California: Most California strategists believe what the polls say: that Alan Cranston can't be beaten. (The latest Mervin Field Poll gives him big leads over possible opponents -- 53-39% over Ronald Reagan, 57-33% over Robert Finch, 59-29% over Houston Flournoy). But it now looks like Cranston's opponent may be someone altogether different: Earl Brian, California Secretary of Health and Welfare, a young (31) attractive and smart Vietnam war veteran with big ambitions. Brian has Ronald Reagan's quiet approval and enough money to get started. Insiders expect him to resign around New Year's to announce his candidacy. Other GOP possibilities: the still-timid Bob Finch and State Senator H.L. Richardson, an extreme conservative. GOP National Committeeman Bill Banowsky ruled himself out in September when he took his party post. Reagan insiders seem pretty definite about Brian.

Washington: Senator Warren Magnuson is just an aging shell of his past self, but few voters realize the extent of his deterioration. GOP polls show him weaker than expected, but the party is hard-pressed to take advantage. Money problems are central to Republican woes: Anybody able to raise funds may get a leg up on the nomination. Right now, there are 4 GOP hopefuls: State Senator Jack Metcalf of Everett, a conservative; Dr. John Sonneland of Spokane, a liberal; Prof. David Kirkhart of Seattle, a moderate; John Mundt, supervisor of state community colleges. Metcalf is definitely in the race; Kirkhart and Mundt are competitors for the backing of the moderate-to-moderate conservative element of the state GOP. While Kirkhart is probably the more attractive campaigner, Mundt appears to have better access to funds -- and this may be the key. Washington, D.C. strategists appear to be leaning towards Mundt. Until the GOP settles on a viable candidate, Magnuson clearly rates as a "Probable Democratic Retention."

Hawaii: Senator Daniel Inouye, who got the best poll rating of any Watergate Committee Senator, seems sure to get another good rating at the polls next year from Hawaii's voters. An "Assured Democratic Retention."

Alaska: Everybody agrees on Mike Gravel as the Democratic Senator most likely to bite the dust in 1974, and the Republican who can put him there -- but who hasn't yet made a final decision to run -- is former Gov. Walter Hickel, fired by RMN as Interior Secretary in 1970. Hickel may run for governor again, but is seen much more likely to tackle Gravel. If Hickel runs, mark him as the favorite against Gravel (or anybody who might beat Gravel in the primary). Should Hickel not opt for the Senate, the probable GOP nominee is State Senate GOP leader Terry Miller, who could make a fairly strong race. A "Probable Democratic Loss" based on Hickel's seeming intentions to run.